

**Testimony of Tom Swan**

**Executive Director of the CT Citizen Action Group (CCAG)**

**Before the Human Services Committee**

**In regards to SB 1044 AAC THE RECOUPMENT OF STATE COSTS ATTRIBUTABLE TO LOW WAGE EMPLOYERS**

**March 2015**

Senator Moore, Representative Abercrombie, and other members of the Human Services Committee, my name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group (CCAG). On behalf of CCAG member families I want to applaud you for raising SB 1044 AAC THE RECOUPMENT OF STATE COSTS ATTRIBUTABLE TO LOW WAGE EMPLOYERS. We believe that this is one of the most important bill being considered by the legislature this year.

This is especially true in when one looks at the budget before you this year. We find it unconscionable the cuts to the safety net that are proposed in the governor's budget while asking nothing from the wealthiest amongst us and the large profitable corporations that benefit by paying people so little. Too many of these large, profitable companies employ a business model that pay low wages in order to externalize their costs to tax payers just to maximize their profits. We need to stop subsidizing the Walton family and demand that their companies either pay their workers a decent wage or they pay a fee to the state to offset the costs to the state in health care, transportation, housing, childcare, education, heating assistance, and public safety that these companies' business model depends on for their workers.

In August of last year, we released a study with the Alliance for a Just Society entitled: Lives Out of Balance. It showed an individual needed to make \$19.08 an hour in Connecticut to afford basic necessities. A November 2013 report by the CT Association for human Services (CAHS) state a family of four with one person working 40 hours a week and a second person working 20 hours a week with each earning \$10 an hour would be eligible for nearly \$30,000 in needed state assistance.

SB 1044 incentivizes large, profitable corporations to pay their workers \$15 an hour and if they choose not to they would pay a fee to the state. Aetna's recent announcement that their minimum wage will now be \$16 an hour shows that it is not an unreasonable level for a large company to pay. If the companies do decide to pay their workers at the \$15 an hour level it would save the state a significant amount of money by not having to underwrite their poverty wages.

We appreciate how if these companies decide not to pay their workers a better wage, this bill dedicates the resources collected by the fee to help low wage workers who are assisting disabled and aging residents of CT, the office of Early Childhood, increase access to and improve childcare, along with early learning programs. In addition the proposed Low Wage Employer Advisory Board could be very helpful in shaping future policies.

In closing I want to reiterate our strong support for SB 1044. It will help us get through this very difficult budget, it will strengthen CT's economy for families and it is the right thing to do morally. Thank you for your consideration and have a great day.